



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2005
OF THE CONDITION AND AFFAIRS OF THE

Nearighborhood Health Plan of Rhode Island

NAIC Group Code

(Current Period)

NAIC Company Code

95402

Employer's ID Number

05-0477052

Organized under the Laws of

Rhode Island

State of Domicile or Port of Entry

Rhode Island

Country of Domicile

United States of America

Licensed as business type:

Life, Accident & Health []

Property/Casualty []

Dental Service Corporation []

Vision Service Corporation []

Other []

Health Maintenance Organization [X]

Hospital, Medical & Dental Service or Indemnity []

Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized

12/09/1993

Commenced Business

12/01/1994

Statutory Home Office

299 Promenade Street

(Street and Number)

Providence, RI 02908

(City or Town, State and Zip Code)

Main Administrative Office

299 Promenade Street

(Street and Number)

Providence, RI 02908

(City or Town, State and Zip Code)

401-459-6000

(Area Code) (Telephone Number)

Mail Address

299 Promenade Street

(Street and Number or P.O. Box)

Providence, RI 02908

(City or Town, State and Zip Code)

Primary Location of Books and Records

299 Promenade Street

(Street and Number)

Providence, RI 02908

(City or Town, State and Zip Code)

401-459-6000

(Area Code) (Telephone Number)

Internet Website Address

http://www.nhpri.org/

Statutory Statement Contact

Richard J Silva

(Name)

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Policyowner Relations Contact

299 Promenade Street

(Street and Number)

Providence, RI 02908

(City or Town, State and Zip Code)

401-459-6000

(Area Code) (Telephone Number) (Extension)

OFFICERS

| Name | Title | Name | Title |
|------------------------|-----------|-----------------------|---------------|
| Ernest Anthony Balasco | Chairman | Raymond Joseph Lavoie | Vice Chairman |
| Merrill Thomas | Treasurer | Maria Montanaro | Secretary |

OTHER OFFICERS

DIRECTORS OR TRUSTEES

| | | | |
|-------------------------|-------------------------|----------------------------|--------------------|
| Maria Montanaro | Michael Vincent Frazier | Merrill Thomas | Dennis Michael Roy |
| Karen Voci | Peter John Bancroft | Nancy Turnbull | Kerry Clark Jones |
| Anthony Anthony Balasco | Raymond Joseph Lavoie | William Hochstrasser-Walsh | Joseph Nagle |
| Jennifer Hosmer MD | Mark E. Reynolds # | | |

State ofRhode Island.....
County ofProvidence.....

ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Ernest Balasco

Chairman (December 31, 2005)

Maria Montanaro

Secretary (December 31, 2005)

Merrill Thomas

Treasurer (December 31, 2005)

Subscribed and sworn to before me this

day of

a. Is this an original filing? Yes [X] No []

b. If no,

1. State the amendment number

2. Date filed 03/01/2006

3. Number of pages attached

Michelle Tetreault
Controller, Notary Public
09/13/2009

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Neighborhood Health Plan of Rhode Island

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|--------------------|--------------------------------------|------------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D)..... | 20,993,074 | | 20,993,074 | 11,355,892 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 0 | | 0 | 0 |
| 2.2 Common stocks | 0 | | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances)..... | | | 0 | 0 |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | | | 0 | 0 |
| 5. Cash (\$19,557,318 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$11,599,511 , Schedule DA)..... | 31,156,829 | | 31,156,829 | 27,090,873 |
| 6. Contract loans, (including \$premium notes) | | | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 | 0 |
| 8. Receivables for securities | | | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 59,465 | 59,465 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 52,209,368 | 59,465 | 52,149,903 | 38,446,765 |
| 11. Title plants less \$charged off (for Title Insurers only) | | | 0 | |
| 12. Investment income due and accrued | 287,543 | | 287,543 | 151,266 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 1,431,531 | 13,798 | 1,417,733 | 1,030,402 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium)..... | | | 0 | 0 |
| 13.3 Accrued retrospective premium..... | | | 0 | 0 |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | 219,374 | | 219,374 | 40,500 |
| 14.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 15. Amounts receivable relating to uninsured plans | 2,497,770 | 0 | 2,497,770 | 0 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | 0 |
| 16.2 Net deferred tax asset..... | | | 0 | 0 |
| 17. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 18. Electronic data processing equipment and software..... | 145,447 | 60,631 | 84,816 | 152,063 |
| 19. Furniture and equipment, including health care delivery assets (\$) | 11,884 | 11,884 | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | | | 0 | 0 |
| 22. Health care (\$136,729) and other amounts receivable..... | 745,029 | 608,300 | 136,729 | 4,442,540 |
| 23. Aggregate write-ins for other than invested assets | 682,320 | 633,833 | 48,487 | 35,015 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)..... | 58,230,266 | 1,387,911 | 56,842,355 | 44,298,551 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | 0 |
| 26. Total (Lines 24 and 25) | 58,230,266 | 1,387,911 | 56,842,355 | 44,298,551 |
| DETAILS OF WRITE-INS | | | | |
| 0901. Security Deposits..... | 59,465 | 59,465 | 0 | 0 |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above) | 59,465 | 59,465 | 0 | 0 |
| 2301. Other Receivable..... | 64,630 | 54,107 | 10,523 | 14,379 |
| 2302. Claims deposited with contracted facility..... | 37,964 | | 37,964 | 20,636 |
| 2303. Prepaid Expenses..... | 394,943 | 394,943 | 0 | 0 |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 184,783 | 184,783 | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) | 682,320 | 633,833 | 48,487 | 35,015 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|------------|------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$ reinsurance ceded) | 16,617,236 | | 16,617,236 | 15,585,852 |
| 2. Accrued medical incentive pool and bonus amounts | 274,340 | 0 | 274,340 | 360,465 |
| 3. Unpaid claims adjustment expenses | 621,651 | | 621,651 | 311,717 |
| 4. Aggregate health policy reserves | | | 0 | 0 |
| 5. Aggregate life policy reserves | | | 0 | 0 |
| 6. Property/casualty unearned premium reserves | | | 0 | 0 |
| 7. Aggregate health claim reserves | 0 | | 0 | 0 |
| 8. Premiums received in advance | 17,388,810 | | 17,388,810 | 13,330,664 |
| 9. General expenses due or accrued | 1,543,684 | | 1,543,684 | 1,286,836 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) | | | 0 | 0 |
| 10.2 Net deferred tax liability | | | 0 | 0 |
| 11. Ceded reinsurance premiums payable | | | 0 | 0 |
| 12. Amounts withheld or retained for the account of others | | | 0 | 0 |
| 13. Remittance and items not allocated | | | 0 | 0 |
| 14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) | | | 0 | 0 |
| 15. Amounts due to parent, subsidiaries and affiliates | | | 0 | 0 |
| 16. Payable for securities | | | 0 | 0 |
| 17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers) | | | 0 | 0 |
| 18. Reinsurance in unauthorized companies | | | 0 | 0 |
| 19. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 20. Liability for amounts held under uninsured accident and health plans | 0 | | 0 | 1,090,331 |
| 21. Aggregate write-ins for other liabilities (including \$ current) | 72,138 | 0 | 72,138 | 193,000 |
| 22. Total liabilities (Lines 1 to 21) | 36,517,859 | 0 | 36,517,859 | 32,158,865 |
| 23. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 24. Common capital stock | XXX | XXX | | 0 |
| 25. Preferred capital stock | XXX | XXX | | 0 |
| 26. Gross paid in and contributed surplus | XXX | XXX | | 0 |
| 27. Surplus notes | XXX | XXX | 1,500,000 | 2,000,000 |
| 28. Aggregate write-ins for other than special surplus funds | XXX | XXX | 0 | 0 |
| 29. Unassigned funds (surplus) | XXX | XXX | 18,824,496 | 10,139,686 |
| 30. Less treasury stock, at cost: | | | | |
| 30.1 shares common (value included in Line 24 \$) | XXX | XXX | | 0 |
| 30.2 shares preferred (value included in Line 25 \$) | XXX | XXX | | 0 |
| 31. Total capital and surplus (Lines 23 to 29 minus Line 30) | XXX | XXX | 20,324,496 | 12,139,686 |
| 32. Total liabilities, capital and surplus (Lines 22 and 31) | XXX | XXX | 56,842,355 | 44,298,551 |
| DETAILS OF WRITE-INS | | | | |
| 2101. Unearned Grant Liability | 72,138 | | 72,138 | 193,000 |
| 2102. | | | | |
| 2103. | | | | |
| 2198. Summary of remaining write-ins for Line 21 from overflow page | 0 | 0 | 0 | 0 |
| 2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above) | 72,138 | 0 | 72,138 | 193,000 |
| 2301. | XXX | XXX | | |
| 2302. | XXX | XXX | | |
| 2303. | XXX | XXX | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | XXX | XXX | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) | XXX | XXX | 0 | 0 |
| 2801. | XXX | XXX | | |
| 2802. | XXX | XXX | | |
| 2803. | XXX | XXX | | |
| 2898. Summary of remaining write-ins for Line 28 from overflow page | XXX | XXX | 0 | 0 |
| 2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above) | XXX | XXX | 0 | 0 |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|-------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months..... | XXX | 817,315 | 806,681 |
| 2. Net premium income (including \$0 non-health premium income)..... | XXX | 167,794,569 | 134,282,814 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | 0 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | | 0 |
| 5. Risk revenue | XXX | | 0 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 2,510,521 | 2,584,069 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 170,305,090 | 136,866,883 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | 0 | 66,023,251 | 60,784,016 |
| 10. Other professional services | 0 | 31,706,210 | 25,999,950 |
| 11. Outside referrals | 0 | 14,168,702 | 10,987,046 |
| 12. Emergency room and out-of-area | 0 | 11,220,341 | 11,315,189 |
| 13. Prescription drugs | 0 | 22,776,891 | 21,133,870 |
| 14. Aggregate write-ins for other hospital and medical..... | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts..... | 0 | 4,095,021 | (8,748,744) |
| 16. Subtotal (Lines 9 to 15) | 0 | 149,990,416 | 121,471,327 |
| Less: | | | |
| 17. Net reinsurance recoveries | 0 | 363,270 | 454,343 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 149,627,146 | 121,016,984 |
| 19. Non-health claims (net)..... | | | 0 |
| 20. Claims adjustment expenses, including \$3,596,777 cost containment expenses..... | 0 | 5,635,617 | 3,410,673 |
| 21. General administrative expenses..... | 0 | 7,023,114 | 8,977,090 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)..... | | 0 | 0 |
| 23. Total underwriting deductions (Lines 18 through 22) | 0 | 162,285,877 | 133,404,747 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 8,019,213 | 3,462,136 |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | | 1,182,533 | 334,676 |
| 26. Net realized capital gains (losses) less capital gains tax of \$(5,075)..... | | (5,075) | 15,361 |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 1,177,458 | 350,037 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)] | | (154,394) | (14,631) |
| 29. Aggregate write-ins for other income or expenses | 0 | 62,351 | 122,486 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)..... | XXX | 9,104,628 | 3,920,028 |
| 31. Federal and foreign income taxes incurred | XXX | | 0 |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 9,104,628 | 3,920,028 |
| DETAILS OF WRITE-INS | | | |
| 0601. Department of Human Services Incentive Income..... | XXX | 810,905 | 740,603 |
| 0602. Other Program Revenue..... | XXX | 599,628 | 444,375 |
| 0603. Grant Revenue..... | XXX | 528,422 | 550,717 |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 571,566 | 848,374 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | XXX | 2,510,521 | 2,584,069 |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 |
| 2901. Miscellaneous Income..... | | 5,471 | 76,378 |
| 2902. Community Access Program Grant Revenue..... | | 0 | (10,772) |
| 2903. Rent Income..... | | 56,880 | 56,880 |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above) | 0 | 62,351 | 122,486 |

CAPITAL AND SURPLUS ACCOUNT

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT: | | |
| 33. Capital and surplus prior-reporting period | 12,139,686 | 8,224,873 |
| GAINS AND LOSSES TO CAPITAL & SURPLUS: | | |
| 34. Net income or (loss) from Line 32 | 9,104,628 | 3,920,028 |
| 35. Change in valuation basis of aggregate policy and claim reserves | | 0 |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ | | 0 |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | 0 |
| 38. Change in net deferred income tax | | 0 |
| 39. Change in nonadmitted assets | (419,818) | (5,215) |
| 40. Change in unauthorized reinsurance | 0 | 0 |
| 41. Change in treasury stock | 0 | 0 |
| 42. Change in surplus notes | (500,000) | 0 |
| 43. Cumulative effect of changes in accounting principles | | 0 |
| 44. Capital Changes: | | |
| 44.1 Paid in | 0 | 0 |
| 44.2 Transferred from surplus (Stock Dividend) | | 0 |
| 44.3 Transferred to surplus | | 0 |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | 0 | 0 |
| 45.2 Transferred to capital (Stock Dividend) | 0 | 0 |
| 45.3 Transferred from capital | | 0 |
| 46. Dividends to stockholders | | 0 |
| 47. Aggregate write-ins for gains or (losses) in surplus | 0 | 0 |
| 48. Net change in capital & surplus (Lines 34 to 47) | 8,184,810 | 3,914,813 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 20,324,496 | 12,139,686 |
| DETAILS OF WRITE-INS | | |
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above) | 0 | 0 |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year Ended December 31 |
|---|------------------------------|--------------------------------------|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance..... | 171,451,586 | 151,186,365 |
| 2. Net investment income | 1,143,412 | 461,384 |
| 3. Miscellaneous income | 2,518,310 | 2,584,069 |
| 4. Total (Lines 1 to 3) | 175,113,308 | 154,231,818 |
| 5. Benefits and loss related payments | 144,676,482 | 119,333,058 |
| 6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts..... | | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 15,772,093 | 15,386,886 |
| 8. Dividends paid to policyholders | | 0 |
| 9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses) | 0 | 0 |
| 10. Total (Lines 5 through 9) | 160,448,575 | 134,719,944 |
| 11. Net cash from operations (Line 4 minus Line 10) | 14,664,733 | 19,511,874 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 1,912,400 | 5,177,419 |
| 12.2 Stocks | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 219,485 | 85,733 |
| 12.7 Miscellaneous proceeds | 0 | 53,688 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 2,131,885 | 5,316,840 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 11,651,813 | 8,715,568 |
| 13.2 Stocks | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 561,366 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 12,213,179 | 8,715,568 |
| 14. Net increase (or decrease) in contract loans and premium notes | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (10,081,294) | (3,398,728) |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | (500,000) | 0 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 0 | 0 |
| 16.3 Borrowed funds | (72,139) | 193,000 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | 0 |
| 16.5 Dividends to stockholders | 0 | 0 |
| 16.6 Other cash provided (applied)..... | 54,657 | 157,561 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6) | (517,482) | 350,561 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | 4,065,957 | 16,463,707 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 27,090,873 | 10,627,166 |
| 19.2 End of period (Line 18 plus Line 19.1)..... | 31,156,830 | 27,090,873 |

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Neighborhood Health Plan of Rhode Island

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--|-------------|---|------------------------|----------------|----------------|--|----------------------------|--------------------------|-----------|----------------------|-------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-term Care | Other Health | Other Non-Health |
| 1. Net premium income | 167,794,569 | (1,268) | .0 | .0 | .0 | .0 | .0 | 167,795,837 | .0 | .0 | .0 | .0 | .0 |
| 2. Change in unearned premium reserves and reserve for rate credit | .0 | | | | | | | | | | | | |
| 3. Fee-for-service (net of \$ medical expenses) | .0 | | | | | | | | | | | | XXX |
| 4. Risk revenue..... | .0 | | | | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 2,510,521 | .0 | .0 | .0 | .0 | .0 | .0 | 2,510,521 | .0 | .0 | .0 | .0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | .0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .0 |
| 7. Total revenues (Lines 1 to 6)..... | 170,305,090 | (1,268) | .0 | .0 | .0 | .0 | .0 | 170,306,358 | .0 | .0 | .0 | .0 | .0 |
| 8. Hospital/medical/ benefits | 66,023,251 | (23,466) | | | | | | 66,046,717 | | | | | XXX |
| 9. Other professional services | 31,706,210 | | | | | | | 31,706,210 | | | | | XXX |
| 10. Outside referrals | 14,168,702 | | | | | | | 14,168,702 | | | | | XXX |
| 11. Emergency room and out-of-area | 11,220,341 | | | | | | | 11,220,341 | | | | | XXX |
| 12. Prescription Drugs | 22,776,891 | | | | | | | 22,776,891 | | | | | XXX |
| 13. Aggregate write-ins for other hospital and medical..... | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts..... | 4,095,021 | | | | | | | 4,095,021 | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 149,990,416 | (23,466) | .0 | .0 | .0 | .0 | .0 | 150,013,882 | .0 | .0 | .0 | .0 | XXX |
| 16. Net reinsurance recoveries | 363,270 | | | | | | | 363,270 | | | | | XXX |
| 17. Total medical and hospital (Lines 15 minus 16) | 149,627,146 | (23,466) | .0 | .0 | .0 | .0 | .0 | 149,650,612 | .0 | .0 | .0 | .0 | XXX |
| 18. Non-health claims (net) | .0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .0 |
| 19. Claims adjustment expenses including \$ 3,596,777 cost containment expenses..... | 5,635,617 | | | | | | | 5,635,617 | | | | | |
| 20. General administrative expenses | 7,023,114 | | | | | | | 7,023,114 | | | | | |
| 21. Increase in reserves for accident and health contracts | .0 | | | | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts..... | .0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 162,285,877 | (23,466) | .0 | .0 | .0 | .0 | .0 | 162,309,343 | .0 | .0 | .0 | .0 | .0 |
| 24. Total underwriting gain or (loss) (Line 7 minus Line 23) | 8,019,213 | 22,198 | 0 | 0 | 0 | 0 | 0 | 7,997,015 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | | |
| 0501. Department of Human Services Incentive Income..... | 810,905 | | | | | | | 810,905 | | | | | XXX |
| 0502. Other Program Revenue..... | 599,628 | | | | | | | 599,628 | | | | | XXX |
| 0503. Grant Revenue..... | 528,422 | | | | | | | 528,422 | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 571,566 | .0 | .0 | .0 | .0 | .0 | .0 | 571,566 | .0 | .0 | .0 | .0 | XXX |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 2,510,521 | 0 | 0 | 0 | 0 | 0 | 0 | 2,510,521 | 0 | 0 | 0 | 0 | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | .0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | .0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 1301. | | | | | | | | | | | | | XXX |
| 1302. | | | | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | XXX |
| 1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

| | 1 | 2 | 3 | 4 |
|---|--------------------|------------------------|----------------------|--|
| Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Cols. 1+2-3) |
| 1. Comprehensive (hospital and medical) | (1,614) | | (346) | (1,268) |
| 2. Medicare Supplement | | | | .0 |
| 3. Dental Only..... | | | | .0 |
| 4. Vision Only..... | | | | .0 |
| 5. Federal Employees Health Benefits Plan | | | | .0 |
| 6. Title XVIII - Medicare | | | | .0 |
| 7. Title XIX - Medicaid..... | 168,859,050 | | 1,063,213 | 167,795,837 |
| 8. Stop Loss | | | | .0 |
| 9. Disability Income | | | | .0 |
| 10. Long-term care | | | | .0 |
| 11. Other health..... | | | | .0 |
| 12. Health subtotal (Lines 1 through 11) | 168,857,436 | 0 | 1,062,867 | 167,794,569 |
| 13. Life | | | | .0 |
| 14. Property/Casualty..... | | | | .0 |
| 15. Totals (Lines 12 to 14) | 168,857,436 | 0 | 1,062,867 | 167,794,569 |

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|-------------|--|------------------------|----------------|----------------|---|-------------------------|-----------------------|--------------|----------------------|-------------------|--------------|----------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other Health | Other Non- Health |
| 1. Payments during the year: | | | | | | | | | | | | | |
| 1.1 Direct | 144,500,741 | 26,020 | | | | | | 144,474,721 | | | | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | 0 | | | | | |
| 1.4 Net | 144,500,741 | 26,020 | 0 | 0 | 0 | 0 | 0 | 144,474,721 | 0 | 0 | 0 | 0 | 0 |
| 2. Paid medical incentive pools and bonuses | 3,441,279 | | | | | | | 3,441,279 | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | | | | |
| 3.1 Direct | 16,617,236 | 0 | 0 | 0 | 0 | 0 | 0 | 16,617,236 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4 Net | 16,617,236 | 0 | 0 | 0 | 0 | 0 | 0 | 16,617,236 | 0 | 0 | 0 | 0 | 0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | | | | |
| 4.1 Direct | 0 | | | | | | | 0 | | | | | |
| 4.2 Reinsurance assumed | 0 | | | | | | | | | | | | |
| 4.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Accrued medical incentive pools and bonuses, current year | 274,340 | | | | | | | 274,340 | | | | | |
| 6. Net healthcare receivables (a) | 363,269 | | | | | | | 363,269 | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | (336,098) | | | | | | | (336,098) | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | | | | |
| 8.1 Direct | 15,585,852 | 49,486 | 0 | 0 | 0 | 0 | 0 | 15,536,366 | 0 | 0 | 0 | 0 | 0 |
| 8.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.4 Net | 15,585,852 | 49,486 | 0 | 0 | 0 | 0 | 0 | 15,536,366 | 0 | 0 | 0 | 0 | 0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | | | | |
| 9.1 Direct | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 360,465 | 0 | 0 | 0 | 0 | 0 | 0 | 360,465 | 0 | 0 | 0 | 0 | 0 |
| 11. Amounts recoverable from reinsurers December 31, prior year | 40,500 | 0 | 0 | 0 | 0 | 0 | 0 | 40,500 | 0 | 0 | 0 | 0 | 0 |
| 12. Incurred Benefits: | | | | | | | | | | | | | |
| 12.1 Direct | 145,895,394 | (23,466) | 0 | 0 | 0 | 0 | 0 | 145,918,860 | 0 | 0 | 0 | 0 | 0 |
| 12.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.3 Reinsurance ceded | (376,598) | 0 | 0 | 0 | 0 | 0 | 0 | (376,598) | 0 | 0 | 0 | 0 | 0 |
| 12.4 Net | 146,271,992 | (23,466) | 0 | 0 | 0 | 0 | 0 | 146,295,458 | 0 | 0 | 0 | 0 | 0 |
| 13. Incurred medical incentive pools and bonuses | 3,355,154 | 0 | 0 | 0 | 0 | 0 | 0 | 3,355,154 | 0 | 0 | 0 | 0 | 0 |

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|------------|--|------------------------|----------------|----------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-----------------|---------------------|
| | Total | Comprehensive (Medical & Hospital) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan Premium | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | | | | |
| 1.1. Direct | 5,062,823 | | | | | | | 5,062,823 | | | | | |
| 1.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 1.3. Reinsurance ceded | 0 | | | | | | | | | | | | |
| 1.4. Net | 5,062,823 | 0 | 0 | 0 | 0 | 0 | 0 | 5,062,823 | 0 | 0 | 0 | 0 | 0 |
| 2. Incurred but Unreported: | | | | | | | | | | | | | |
| 2.1. Direct | 11,554,413 | | | | | | | 11,554,413 | | | | | |
| 2.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 2.3. Reinsurance ceded | 0 | | | | | | | | | | | | |
| 2.4. Net | 11,554,413 | 0 | 0 | 0 | 0 | 0 | 0 | 11,554,413 | 0 | 0 | 0 | 0 | 0 |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | | | | |
| 3.1. Direct | 0 | | | | | | | | | | | | |
| 3.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 3.3. Reinsurance ceded | 0 | | | | | | | | | | | | |
| 3.4. Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. TOTALS: | | | | | | | | | | | | | |
| 4.1. Direct | 16,617,236 | 0 | 0 | 0 | 0 | 0 | 0 | 16,617,236 | 0 | 0 | 0 | 0 | 0 |
| 4.2. Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3. Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4. Net | 16,617,236 | 0 | 0 | 0 | 0 | 0 | 0 | 16,617,236 | 0 | 0 | 0 | 0 | 0 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability Dec. 31 of Current Year | | 5 Claims Incurred in Prior Years (Columns 1 + 3) | 6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
|--|--|--|---|--|---|--|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital and medical) | 26,020 | 0 | 0 | 0 | 26,020 | 49,486 |
| 2. Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only..... | | | | | 0 | 0 |
| 4. Vision Only..... | | | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan Premiums | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | | | | | 0 | 0 |
| 7. Title XIX - Medicaid..... | 13,292,348 | 131,182,373 | 14,008 | 16,603,228 | 13,306,356 | 15,536,366 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8)..... | 13,318,368 | 131,182,373 | 14,008 | 16,603,228 | 13,332,376 | 15,585,852 |
| 10. Healthcare receivables (a)..... | | | | | 0 | |
| 11. Other non-health..... | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 360,464 | 3,080,815 | | 274,340 | 360,464 | 360,464 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 13,678,832 | 134,263,188 | 14,008 | 16,877,568 | 13,692,840 | 15,946,316 |

(a) Excludes \$loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2001 | 2 2002 | 3 2003 | 4 2004 | 5 2005 |
| 1. Prior | .0 | .0 | 287 | 205 | |
| 2. 2001 | 297 | 991 | 1,340 | 1,340 | |
| 3. 2002 | XXX | 14,064 | 15,981 | 15,981 | |
| 4. 2003 | XXX | XXX | 390 | 451 | |
| 5. 2004 | XXX | XXX | XXX | 583 | 26 |
| 6. 2005 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----|-----|-----|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1. Prior | | | | | |
| 2. | | | | | |
| 3. | XXX | | | | |
| 4. | XXX | XXX | | | |
| 5. | XXX | XXX | XXX | | |
| 6. | XXX | XXX | XXX | XXX | |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claim Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claim Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|---|---|---------------------------------|
| 1. 2001..... | .0 | .0 | | 0.0 | .0 | 0.0 | | | .0 | 0.0 |
| 2. 2002..... | 12,655 | .0 | | 0.0 | .0 | 0.0 | | | .0 | 0.0 |
| 3. 2003..... | 432 | .0 | | 0.0 | .0 | 0.0 | | | .0 | 0.0 |
| 4. 2004..... | 720 | 26 | | 0.0 | 26 | 3.6 | | | 26 | 3.6 |
| 5. 2005..... | | 0 | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2001 | 2 2002 | 3 2003 | 4 2004 | 5 2005 |
| 1. Prior | 15,240 | 76 | 115,112 | 115,112 | 115,112 |
| 2. 2001 | 86,994 | 14,655 | 101,671 | 101,671 | 101,671 |
| 3. 2002 | XXX | 88,405 | 102,729 | 102,719 | 102,719 |
| 4. 2003 | XXX | XXX | 96,674 | 110,208 | 110,208 |
| 5. 2004 | XXX | XXX | XXX | 113,943 | 128,780 |
| 6. 2005 | XXX | XXX | XXX | XXX | 134,019 |

Section B – Incurred Health Claims - Title XIX Medicaid

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2001 | 2 2002 | 3 2003 | 4 2004 | 5 2005 |
| 1. Prior | .0 | .0 | .0 | .0 | .0 |
| 2. 2001 | 102,491 | 118,161 | 118,161 | 118,161 | 118,161 |
| 3. 2002 | XXX | 112,203 | 129,001 | 129,001 | 129,001 |
| 4. 2003 | XXX | XXX | 109,326 | 126,307 | 126,307 |
| 5. 2004 | XXX | XXX | XXX | 114,816 | 128,509 |
| 6. 2005 | XXX | XXX | XXX | XXX | 131,684 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claim Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claim Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|---|---|---------------------------------|
| 1. 2001..... | .0 | 101,671 | | .0 | 101,671 | .0 | | | 101,671 | .0 |
| 2. 2002..... | 116,660 | 102,719 | | .0 | 102,719 | 88.0 | | | 102,719 | 88.0 |
| 3. 2003..... | 119,813 | 110,208 | | .0 | 110,208 | 92.0 | | | 110,208 | 92.0 |
| 4. 2004..... | 133,563 | 128,780 | .0 | .0 | 128,780 | 96.4 | 274 | 247 | 129,302 | 96.8 |
| 5. 2005 | | 134,019 | 5,636 | 4.2 | 139,655 | 0.0 | 16,617 | 374 | 156,646 | 0.0 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2001 | 2 2002 | 3 2003 | 4 2004 | 5 2005 |
| 1. Prior | 15,240 | 75 | 115,399 | 115,317 | 115,112 |
| 2. 2001..... | 87,291 | 15,646 | 103,011 | 103,011 | 101,671 |
| 3. 2002..... | XXX | 102,469 | 118,710 | 118,700 | 102,719 |
| 4. 2003..... | XXX | XXX | 97,064 | 110,659 | 110,208 |
| 5. 2004..... | XXX | XXX | XXX | 114,526 | 128,806 |
| 6. 2005..... | XXX | XXX | XXX | XXX | 134,019 |

Section B - Incurred Health Claims - Grand Total

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2001 | 2 2002 | 3 2003 | 4 2004 | 5 2005 |
| 1. Prior | 0 | 0 | 0 | 0 | 0 |
| 2. 2001..... | 102,491 | 118,161 | 118,161 | 118,161 | 118,161 |
| 3. 2002..... | XXX | 112,203 | 129,001 | 129,001 | 129,001 |
| 4. 2003..... | XXX | XXX | 109,326 | 126,307 | 126,307 |
| 5. 2004..... | XXX | XXX | XXX | 114,816 | 128,509 |
| 6. 2005..... | XXX | XXX | XXX | XXX | 131,684 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claim Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claim Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|---|---|---------------------------------|
| 1. 2001..... | 0 | 101,671 | 0 | 0.0 | 101,671 | 0.0 | 0 | 0 | 101,671 | 0.0 |
| 2. 2002..... | 129,316 | 102,719 | 0 | 0.0 | 102,719 | 79.4 | 0 | 0 | 102,719 | 79.4 |
| 3. 2003..... | 120,245 | 110,208 | 0 | 0.0 | 110,208 | 91.7 | 0 | 0 | 110,208 | 91.7 |
| 4. 2004..... | 134,283 | 128,806 | 0 | 0.0 | 128,806 | 95.9 | 274 | 247 | 129,328 | 96.3 |
| 5. 2005..... | 0 | 134,019 | 5,636 | 4.2 | 139,655 | 0.0 | 16,617 | 374 | 156,646 | 0.0 |

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|-------|--|------------------------|-------------|-------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other |
| POLICY RESERVE | | | | | | | | | | | | |
| 1. Unearned premium reserves | .0 | | | | | | | | | | | |
| 2. Additional policy reserves (a) | .0 | | | | | | | | | | | |
| 3. Reserve for future contingent benefits | .0 | | | | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$ for investment income) | .0 | | | | | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 6. Totals (Gross) | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 7. Reinsurance ceded | .0 | | | | | | | | | | | |
| 8. Totals (Net) (Page 3, Line 4) | 0 | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | | | | |
| 9. Present value of amounts not yet due on claims | .0 | | | | | | | | | | | |
| 10. Reserve for future contingent benefits | .0 | | | | | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12. Totals (Gross) | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 13. Reinsurance ceded | .0 | | | | | | | | | | | |
| 14. Totals (Net) (Page 3, Line 7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 0501. | | | | | | | | | | | | |
| 0502. | | | | | | | | | | | | |
| 0503. | | | | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1101. | | | | | | | | | | | | |
| 1102. | | | | | | | | | | | | |
| 1103. | | | | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Includes \$ premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administration Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|----------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$for occupancy of own building)..... | 207,417 | 192,222 | 463,528 | | 863,167 |
| 2. Salaries, wages and other benefits..... | 3,265,632 | 1,266,280 | 5,690,167 | | 10,222,079 |
| 3. Commissions (less \$ceded plus \$ Assumed..... | | | | | 0 |
| 4. Legal fees and expenses..... | 33,047 | 30,626 | 73,852 | | 137,525 |
| 5. Certifications and accreditation fees..... | | | 0 | | 0 |
| 6. Auditing, actuarial and other consulting services..... | 322,936 | 299,279 | 721,684 | | 1,343,899 |
| 7. Traveling expenses..... | 12,487 | 11,572 | 27,905 | | 51,964 |
| 8. Marketing and advertising..... | 156,321 | 144,870 | 349,340 | | 650,531 |
| 9. Postage, express and telephone..... | 64,829 | 60,080 | 144,877 | | 269,786 |
| 10. Printing and office supplies..... | 132,577 | 122,865 | 296,278 | | 551,720 |
| 11. Occupancy, depreciation and amortization..... | 29,208 | 27,069 | 65,273 | | 121,550 |
| 12. Equipment..... | 161,891 | 150,031 | 361,786 | | 673,708 |
| 13. Cost or depreciation of EDP equipment and software..... | 124,459 | 115,341 | 278,136 | | 517,936 |
| 14. Outsourced services including EDP, claims, and other services..... | 140,031 | 129,773 | 312,935 | | 582,739 |
| 15. Boards, bureaus and association fees..... | 3,249 | 3,011 | 7,260 | | 13,520 |
| 16. Insurance, except on real estate..... | 59,560 | 55,197 | 133,102 | | 247,859 |
| 17. Collection and bank service charges..... | 6,592 | 6,109 | 14,732 | | 27,433 |
| 18. Group service and administration fees..... | 403 | 374 | 902 | | 1,679 |
| 19. Reimbursements by uninsured accident and health plans..... | (1,363,523) | (772,915) | (2,662,432) | | (4,798,870) |
| 20. Reimbursements from fiscal intermediaries..... | | | | | 0 |
| 21. Real estate expenses..... | | | | | 0 |
| 22. Real estate taxes..... | | | | | 0 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes..... | | | | | 0 |
| 23.2 State premium taxes..... | | | | | 0 |
| 23.3 Regulatory authority licenses and fees..... | | | | | 0 |
| 23.4 Payroll taxes..... | 239,661 | 98,570 | 400,024 | | 738,255 |
| 23.5 Other (excluding federal income and real estate taxes)..... | | | | | 0 |
| 24. Investment expenses not included elsewhere..... | | | | 228,610 | 228,610 |
| 25. Aggregate write-ins for expenses..... | 0 | 98,486 | 343,765 | 0 | 442,251 |
| 26. Total expenses incurred (Lines 1 to 25)..... | 3,596,777 | 2,038,840 | 7,023,114 | 228,610 | (a) 12,887,341 |
| 27. Less expenses unpaid December 31, current year..... | 0 | 621,651 | 1,543,684 | | 2,165,335 |
| 28. Add expenses unpaid December 31, prior year..... | 0 | 311,717 | 1,286,836 | 0 | 1,598,553 |
| 29. Amounts receivable relating to uninsured accident and health plans, prior year..... | 0 | 0 | 0 | 0 | 0 |
| 30. Amounts receivable relating to uninsured accident and health plans, current year..... | 0 | 0 | 0 | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 3,596,777 | 1,728,906 | 6,766,266 | 228,610 | 12,320,559 |
| DETAIL OF WRITE-INS | | | | | |
| 2501. Conferences, Training, and Tuition..... | 0 | 25,561 | 89,221 | | 114,782 |
| 2502. Recruitment Fees..... | 0 | 17,268 | 60,274 | | 77,542 |
| 2503. Meeting..... | 0 | 55,657 | 194,270 | | 249,927 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 | 0 | 0 |
| 2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above) | 0 | 98,486 | 343,765 | 0 | 442,251 |

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|----------------------|---|--------------------------|-----------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a) 236,304 | 327,488 |
| 1.1 | Bonds exempt from U.S. tax | (a) ..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a) 249,584 | 230,558 |
| 1.3 | Bonds of affiliates | (a) ..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b) ..... | ..... |
| 2.11 | Preferred stocks of affiliates | (b) ..... | ..... |
| 2.2 | Common stocks (unaffiliated) ..... | ..... | ..... |
| 2.21 | Common stocks of affiliates ..... | ..... | ..... |
| 3. | Mortgage loans | (c) ..... | ..... |
| 4. | Real estate | (d) ..... | ..... |
| 5. | Contract loans..... | ..... | ..... |
| 6. | Cash, cash equivalents and short-term investments | (e) 788,202 | 853,097 |
| 7. | Derivative instruments | (f) ..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... |
| 9. | Aggregate write-ins for investment income | 0 | 0 |
| 10. | Total gross investment income | 1,274,090 | 1,411,143 |
| 11. | Investment expenses | | (g) 228,610 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) 0 |
| 14. | Depreciation on real estate and other invested assets | | (i) |
| 15. | Aggregate write-ins for deductions from investment income | | 0 |
| 16. | Total (Lines 11 through 15) | | 228,610 |
| 17. | Net Investment Income - (Line 10 minus Line 16) | | 1,182,533 |
| DETAILS OF WRITE-INS | | | |
| 0901. | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. | Totals (Lines 0901 through 0903 plus 0998) (Line 9, above) | 0 | 0 |
| 1501. | ..... |  |  |
| 1502. | ..... |  |  |
| 1503. | ..... |  |  |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. | Total (Lines 1501 through 1503 plus 1598) (Line 15, above) | | 0 |

(a) Includes \$ (97,156) accrual of discount less \$ 0 amortization of premium and less \$ 44,707 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 |
|----------------------|--|--|----------------------------------|--|---------------|
| | | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Increases (Decreases) by Adjustment | Total |
| 1. | U.S. Government bonds | (15) | ..... | ..... | ..... (15) |
| 1.1 | Bonds exempt from U.S. tax ..... | ..... | ..... | ..... | ..... 0 |
| 1.2 | Other bonds (unaffiliated) | (5,060) | ..... | ..... | ..... (5,060) |
| 1.3 | Bonds of affiliates | 0 | 0 | 0 | 0 |
| 2.1 | Preferred stocks (unaffiliated) ..... | ..... | ..... | ..... | ..... 0 |
| 2.11 | Preferred stocks of affiliates | 0 | 0 | 0 | 0 |
| 2.2 | Common stocks (unaffiliated) ..... | ..... | ..... | ..... | ..... 0 |
| 2.21 | Common stocks of affiliates | 0 | 0 | 0 | 0 |
| 3. | Mortgage loans ..... | ..... | ..... | ..... | ..... 0 |
| 4. | Real estate ..... | ..... | ..... | ..... | ..... 0 |
| 5. | Contract loans ..... | ..... | ..... | ..... | ..... 0 |
| 6. | Cash, cash equivalents and short-term investments ..... | ..... | ..... | ..... | ..... 0 |
| 7. | Derivative instruments ..... | ..... | ..... | ..... | ..... 0 |
| 8. | Other invested assets ..... | ..... | ..... | ..... | ..... 0 |
| 9. | Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 |
| 10. | Total capital gains (losses) | (5,075) | 0 | 0 | (5,075) |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | ..... |  |  |  |  |
| 0902. | ..... |  |  |  |  |
| 0903. | ..... |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. | Totals (Lines 0901 through 0903 plus 0998) (Line 9, above) | 0 | 0 | 0 | 0 |

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|----------------------------------|--|
| | Current Year Total Nonadmitted Assets | Prior Year Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D)..... | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income..... | 0 | 0 | 0 |
| 4.3 Properties held for sale | 0 | 0 | 0 |
| 5. Cash, (Schedule E, Part 1), cash equivalents (Schedule E, Part 2) and short -term investments (Schedule DA) | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 |
| 8. Receivables for securities | 0 | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 59,465 | 59,465 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 59,465 | 59,465 | 0 |
| 11. Title plants (for Title insurers only)..... | 0 | 0 | 0 |
| 12. Investment income due and accrued | 0 | 0 | 0 |
| 13. Premiums and considerations: | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 13,798 | 0 | (13,798) |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | 0 | 0 | 0 |
| 13.3 Accrued retrospective premium..... | 0 | 0 | 0 |
| 14. Reinsurance: | | | |
| 14.1 Amounts recoverable from reinsurers | 0 | 0 | 0 |
| 14.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 15. Amounts receivable relating to uninsured plans | 0 | 0 | 0 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 |
| 16.2 Net deferred tax asset..... | 0 | 0 | 0 |
| 17. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 18. Electronic data processing equipment and software..... | 60,631 | 46,344 | (14,287) |
| 19. Furniture and equipment, including health care delivery assets..... | 11,884 | 13,581 | 1,697 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 |
| 22. Health care and other amounts receivable..... | 608,300 | 551,216 | (57,084) |
| 23. Aggregate write-ins for other than invested assets | 633,833 | 297,487 | (336,346) |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)..... | 1,387,911 | 968,093 | (419,818) |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 26. Total (Lines 24 and 25) | 1,387,911 | 968,093 | (419,818) |
| DETAILS OF WRITE-INS | | | |
| 0901. Security Deposits..... | 59,465 | 59,465 | 0 |
| 0902. | | | |
| 0903. | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above) | 59,465 | 59,465 | 0 |
| 2301. Other Receivables..... | 54,107 | 22,800 | (31,307) |
| 2302. Prepaid Expenses..... | 394,943 | 272,827 | (122,116) |
| 2303. A/R Cap Grant..... | 0 | 1,860 | 1,860 |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 184,783 | 0 | (184,783) |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) | 633,833 | 297,487 | (336,346) |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|--|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations..... | 68,206 | 68,116 | 68,024 | 67,912 | 68,413 | 817,315 |
| 2. Provider Service Organizations..... | .0 | | | | | |
| 3. Preferred Provider Organizations..... | .0 | | | | | |
| 4. Point of Service..... | .0 | | | | | |
| 5. Indemnity Only..... | .0 | | | | | |
| 6. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total | 68,206 | 68,116 | 68,024 | 67,912 | 68,413 | 817,315 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 |

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | |
|---|------------------------------|-----------------|---|-----------------|
| | 1 Amount | 2 Percentage | 3 Amount | 4 Percentage |
| 1. Bonds: | | | | |
| 1.1 U.S. treasury securities | | .0.000 | | .0.000 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | |
| 1.21 Issued by U.S. government agencies | 14,838,966 | 28.454 | 14,838,966 | 28.454 |
| 1.22 Issued by U.S. government sponsored agencies | | .0.000 | | .0.000 |
| 1.3 Foreign government (including Canada, excluding mortgaged-backed securities) | | .0.000 | | .0.000 |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.: | | | | |
| 1.41 States, territories and possessions general obligations | | .0.000 | | .0.000 |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | | .0.000 | | .0.000 |
| 1.43 Revenue and assessment obligations | | .0.000 | | .0.000 |
| 1.44 Industrial development and similar obligations | 6,154,108 | 11.801 | 6,154,108 | 11.801 |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | |
| 1.51 Pass-through securities: | | | | |
| 1.511 Issued or guaranteed by GNMA | | .0.000 | | .0.000 |
| 1.512 Issued or guaranteed by FNMA and FHLMC | | .0.000 | | .0.000 |
| 1.513 All other | | .0.000 | | .0.000 |
| 1.52 CMOs and REMICs: | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | | .0.000 | | .0.000 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | | .0.000 | | .0.000 |
| 1.523 All other | | .0.000 | | .0.000 |
| 2. Other debt and other fixed income securities (excluding short-term): | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) | | .0.000 | | .0.000 |
| 2.2 Unaffiliated foreign securities | | .0.000 | | .0.000 |
| 2.3 Affiliated securities | | .0.000 | | .0.000 |
| 3. Equity interests: | | | | |
| 3.1 Investments in mutual funds | | .0.000 | | .0.000 |
| 3.2 Preferred stocks: | | | | |
| 3.21 Affiliated | | .0.000 | | .0.000 |
| 3.22 Unaffiliated | | .0.000 | | .0.000 |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | |
| 3.31 Affiliated | | .0.000 | | .0.000 |
| 3.32 Unaffiliated | | .0.000 | | .0.000 |
| 3.4 Other equity securities: | | | | |
| 3.41 Affiliated | | .0.000 | | .0.000 |
| 3.42 Unaffiliated | | .0.000 | | .0.000 |
| 3.5 Other equity interests including tangible personal property under lease: | | | | |
| 3.51 Affiliated | | .0.000 | | .0.000 |
| 3.52 Unaffiliated | | .0.000 | | .0.000 |
| 4. Mortgage loans: | | | | |
| 4.1 Construction and land development | | .0.000 | | .0.000 |
| 4.2 Agricultural | | .0.000 | | .0.000 |
| 4.3 Single family residential properties | | .0.000 | | .0.000 |
| 4.4 Multifamily residential properties | | .0.000 | | .0.000 |
| 4.5 Commercial loans | | .0.000 | | .0.000 |
| 4.6 Mezzanine real estate loans | | .0.000 | | .0.000 |
| 5. Real estate investments: | | | | |
| 5.1 Property occupied by the company | | .0.000 | .0 | .0.000 |
| 5.2 Property held for the production of income (including \$of property acquired in satisfaction of debt) | | .0.000 | .0 | .0.000 |
| 5.3 Property held for sale (including \$ property acquired in satisfaction of debt) | | .0.000 | .0 | .0.000 |
| 6. Contract loans | | .0.000 | .0 | .0.000 |
| 7. Receivables for securities | | .0.000 | .0 | .0.000 |
| 8. Cash, cash equivalents and short-term investments | 31,156,829 | 59.745 | 31,156,829 | 59.745 |
| 9. Other invested assets | | 0.000 | | 0.000 |
| 10. Total invested assets | 52,149,903 | 100.000 | 52,149,903 | 100.000 |

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [] No [X]
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [] No [] NA [X]
- 1.3

State Regulating?
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2001
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2001
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/15/2003
- 3.4

By what department or departments? RI Department of Business Regulation, Insurance Division
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business?

Yes [] No [X]

4.12 renewals?

Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business?

Yes [] No [X]

4.22 renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,

7.21 State the percentage of foreign control;

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |
| | |
| | |

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------|---------------------------|-----|-----|-----|------|-----|
| Affiliate Name | Location (City, State) | FRB | OCC | OTS | FDIC | SEC |
| | | | | | | |

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Lefkowitz, Garfinkle, Chiampi & DiRienzo PC
10 Weybosset Street
Suite 700
Providence, RI 02903
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Mr. Robert M. Damler, FSA, MAAA
Principal and Consulting Actuary
Milliman, Inc.
111 Monument Circle, Suite 601
Indianapolis, Indiana 46204-5128
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

\$
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []

BOARD OF DIRECTORS

13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [] No [X]
14.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
15.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

- 16.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11

To directors or other officers

\$

0

16.12

To stockholders not officers

\$

0

16.13

Trustees, supreme or grand (Fraternal only)

\$

0
- 16.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21

To directors or other officers

\$

0

16.22

To stockholders not officers

\$

0

16.23

Trustees, supreme or grand (Fraternal only)

\$

0
- 17.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes [] No [X]
- 17.2

If yes, state the amount thereof at December 31 of the current year:

17.21

Rented from others

\$

0

17.22

Borrowed from others

\$

0

17.23

Leased from others

\$

0

17.24

Other

\$

0
- 18.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 18.2

If answer is yes,

18.21

Amount paid as losses or risk adjustment

\$

0

18.22

Amount paid as expenses

\$

0

18.23

Other amounts paid

\$

0
- 19.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]
- 19.2

If yes, indicated any amounts receivable from parent included in the Page 2 amount:

\$

0

GENERAL INTERROGATORIES
INVESTMENT

- 20.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes [] No [X]
- 20.2

If no, give full and complete information relating thereto:
All Bonds and Securities in possession of Merrill Lynch.
- 21.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1)

Yes [] No [X]
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Loaned to others

\$.....0

21.22

Subject to repurchase agreements

\$.....0

21.23

Subject to reverse repurchase agreements

\$.....0

21.24

Subject to dollar repurchase agreements

\$.....0

21.25

Subject to reverse dollar repurchase agreements

\$.....0

21.26

Pledged as collateral

\$.....0

21.27

Placed under option agreements

\$.....0

21.28

Letter stock or other securities restricted as to sale ...

\$.....0

21.29

Other

\$.....0

21.3 For category (21.28) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |
| | | |
| | | |
| | | |

- 22.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]
- 22.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] NA [X]

If no, attach a description with this statement.
- 23.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]
- 23.2

If yes, state the amount thereof at December 31 of the current year.

\$.....0

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| <div>1</div> <div>Name of Custodian(s)</div> | <div>2</div> <div>Custodian's Address</div> |
|--|---|
| Merrill Lynch..... | 1 Citizens Plaza Suite 1000 Providence, RI 02903..... |

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| <div>1</div> <div>Name(s)</div> | <div>2</div> <div>Location(s)</div> | <div>2</div> <div>Complete Explanation(s)</div> |
|---------------------------------|-------------------------------------|---|
| | | |
| | | |

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [] No [X]

24.04 If yes, give full and complete information relating thereto:

| <div>1</div> <div>Old Custodian</div> | <div>2</div> <div>New Custodian</div> | <div>3</div> <div>Date of Change</div> | <div>4</div> <div>Reason</div> |
|---------------------------------------|---------------------------------------|--|--------------------------------|
| | | | |

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| <div>1</div> <div>Central Registration Depository Number(s)</div> | <div>2</div> <div>Name</div> | <div>2</div> <div>Address</div> |
|---|------------------------------|---|
| 7691..... | Merrill Lynch..... | 1 Citizens Plaza Suite 1000 Providence, RI 02903..... |

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

25.2 If yes, complete the following schedule:

| <div>1</div> <div>CUSIP #</div> | <div>2</div> <div>Name of Mutual Fund</div> | <div>3</div> <div>Book/Adjusted Carrying Value</div> |
|---------------------------------|---|--|
| | | |
| | | |
| 25.2999 | TOTAL | 0 |

25.3 For each mutual fund listed in the table above, complete the following schedule:

| <div>1</div> <div>Name of Mutual Fund (from above table)</div> | <div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div> | <div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div> | <div>4</div> <div>Date of Valuation</div> |
|--|--|--|---|
| | | | |
| | | | |

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

| | 1 | 2 | 3 |
|----------------------------|-------------------------------|------------|---|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-) or Fair Value over Statement (+) |
| 26.1 Bonds..... | 32,592,585 | 32,307,940 | (284,645) |
| 26.2 Preferred stocks..... | 0 | | 0 |
| 26.3 Totals | 32,592,585 | 32,307,940 | (284,645) |

26.4 Describe the sources or methods utilized in determining fair values:

Fair Values as reported by Merrill Lynch.....

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$863

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|---|------------------|
| Assoc For Comm Affiliated Plans (ACAP)..... | 863 |

29.1 Amount of payments for legal expenses, if any?.....\$132,987

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|------------------------------|------------------|
| Cameron and Mittleman..... | 84,474 |
| St Peter and Kasle, Inc..... | 48,513 |

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$0

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |
| | |

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

1.2 If yes, indicate premium earned on U. S. business only

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5 Indicate total incurred claims on all Medicare Supplement Insurance.

1.6 Individual policies:

1.61 Total premium earned

1.62 Total incurred claims

1.63 Number of covered lives

1.64 Total premium earned

1.65 Total incurred claims

1.66 Number of covered lives

1.7 Group policies:

1.71 Total premium earned

1.72 Total incurred claims

1.73 Number of covered lives

1.74 Total premium earned

1.75 Total incurred claims

1.76 Number of covered lives

2. Health Test:

2.1 Premium Numerator

2.2 Premium Denominator

2.3 Premium Ratio (2.1/2.2)

2.4 Reserve Numerator

2.5 Reserve Denominator

2.6 Reserve Ratio (2.4/2.5)

1

Current Year

2

Prior Year

\$

.....167,794,569

\$

.....134,282,814

.....0.000

.....1.000

\$

.....16,891,576

\$

.....15,946,317

.....0.000

.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

5.1 Does the reporting entity have stop-loss reinsurance?

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

5.32 Medical Only

5.33 Medicare Supplement

5.34 Dental

5.35 Other Limited Benefit Plan

5.36 Other

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

7.2 If no, give details:

8. Provide the following Information regarding participating providers:

8.1 Number of providers at start of reporting year

8.2 Number of providers at end of reporting year

9.1 Does the reporting entity have business subject to premium rate guarantees?

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

28

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?

Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....3,441,279

10.22 Amount actually paid for year bonuses

\$.....3,355,155

10.23 Maximum amount payable withholds

\$.....

10.24 Amount actually paid for year withholds

\$.....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [X] No []

11.14 A Mixed Model (combination of above) ?.....

Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth.

Rhode Island

11.4 If yes, show the amount required.

\$.....2,345,000

11.5 Is this amount included as part of a contingency reserve in stockholders equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which reporting entity is licensed to operate:

| |
|----------------------|
| 1 |
| Name of Service Area |
| |

FIVE-YEAR HISTORICAL DATA

| | 1 2005 | 2 2004 | 3 2003 | 4 2002 | 5 2001 |
|---|-------------|-------------|-------------|-------------|-------------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. Total admitted assets (Page 2, Line 26) | 56,842,355 | 44,298,551 | 28,183,940 | 29,119,284 | 27,868,776 |
| 2. Total liabilities (Page 3, Line 22) | 36,517,859 | 32,158,865 | 19,959,067 | 21,399,910 | 18,586,248 |
| 3. Statutory surplus | | 0 | 0 | 0 | 0 |
| 4. Total capital and surplus (Page 3, Line 31) | 20,324,496 | 12,139,686 | 8,224,873 | 7,719,374 | 9,282,528 |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 170,305,090 | 136,866,883 | 122,509,144 | 130,330,131 | 120,538,053 |
| 6. Total medical and hospital expenses (Line 18) | 149,627,146 | 121,016,984 | 109,162,307 | 119,527,924 | 103,657,867 |
| 7. Claims adjustment expenses (Line 20) | 5,635,617 | 3,410,673 | 3,754,506 | 0 | 0 |
| 8. Total administrative expenses (Line 21) | 7,023,114 | 8,977,090 | 10,287,390 | 12,751,555 | 11,064,732 |
| 9. Net underwriting gain (loss) (Line 24) | 8,019,213 | 3,462,136 | (695,059) | (1,949,348) | 6,521,113 |
| 10. Net investment gain (loss) (Line 27) | 1,177,458 | 350,037 | 403,669 | 589,508 | 864,145 |
| 11. Total other income (Lines 28 plus 29) | (92,043) | 107,855 | 337,693 | 154,084 | (42,129) |
| 12. Net income (loss) (Line 32) | 9,104,628 | 3,920,028 | 46,303 | (1,205,756) | 7,343,129 |
| RISK - BASED CAPITAL ANALYSIS | | | | | |
| 13. Total adjusted capital..... | 20,324,496 | 12,139,686 | 8,224,873 | 7,719,374 | 9,282,528 |
| 14. Authorized control level risk-based capital..... | 6,101,998 | 5,060,720 | 4,576,952 | 4,996,766 | 4,324,875 |
| ENROLLMENT (Exhibit 1) | | | | | |
| 15. Total members at end of period (Column 5, Line 7) | 68,413 | 68,206 | 66,505 | 70,857 | 74,603 |
| 16. Total member months (Column 6, Line 7) | 817,315 | 806,681 | 786,890 | 852,814 | 815,024 |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 18. Total hospital and medical plus other non-health (Lines 18 plus 19) | 89.2 | | | | |
| 19. Cost containment expenses | 2.1 | 0.0 | XXX | XXX | XXX |
| 20. Other claims adjustment expenses | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| 21. Total underwriting deductions (Line 23) | 96.7 | 99.3 | 102.5 | 102.3 | 95.1 |
| 22. Total underwriting gain (loss) (Line 24) | 4.8 | 2.6 | (0.6) | (1.5) | 5.4 |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 23. Total claims incurred for prior years (Line 13, Col. 5) | 13,692,840 | 14,317,214 | 16,980,625 | 15,919,846 | 15,669,926 |
| 24. Estimated liability of unpaid claims – [prior year (Line 12, Col. 6)] | 15,946,316 | 14,221,891 | 18,438,309 | 17,694,531 | 16,978,795 |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) | 0 | 0 | 0 | 0 | 0 |
| 29. Affiliated mortgage loans on real estate | | 0 | 0 | 0 | 0 |
| 30. All other affiliated | | 0 | 0 | 0 | 0 |
| 31. Total of above Lines 25 to 30 | 0 | 0 | 0 | 0 | 0 |

SCHEDULE D - SUMMARY BY COUNTRY

| Long-Term Bonds and Stocks OWNED December 31 of Current Year | | | | | |
|--|-----------------------------------|--------------------------------------|-----------------|------------------|-------------------------|
| Description | | 1 Book/Adjusted Carrying Value | 2 Fair Value | 3 Actual Cost | 4 Par Value of Bonds |
| BONDS Governments (Including all obligations guaranteed by governments) | 1. United States | 14,838,966 | 14,681,998 | 14,835,877 | 14,865,000 |
| | 2. Canada | | | | |
| | 3. Other Countries | | | | |
| | 4. Totals | 14,838,966 | 14,681,998 | 14,835,877 | 14,865,000 |
| States, Territories and Possessions (Direct and guaranteed) | 5. United States | | | | |
| | 6. Canada | | | | |
| | 7. Other Countries | | | | |
| | 8. Totals | 0 | 0 | 0 | 0 |
| Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 9. United States | | | | |
| | 10. Canada | | | | |
| | 11. Other Countries | | | | |
| | 12. Totals | 0 | 0 | 0 | 0 |
| Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 13. United States | | | | |
| | 14. Canada | | | | |
| | 15. Other Countries | | | | |
| | 16. Totals | 0 | 0 | 0 | 0 |
| Public Utilities (unaffiliated) | 17. United States | | | | |
| | 18. Canada | | | | |
| | 19. Other Countries | | | | |
| | 20. Totals | 0 | 0 | 0 | 0 |
| Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated) | 21. United States | 6,154,108 | 5,990,942 | 6,339,246 | 6,052,000 |
| | 22. Canada | | | | |
| | 23. Other Countries | | | | |
| | 24. Totals | 6,154,108 | 5,990,942 | 6,339,246 | 6,052,000 |
| Parent, Subsidiaries and Affiliates | 25. Totals | 0 | 0 | 0 | 0 |
| | 26. Total Bonds | 20,993,074 | 20,672,940 | 21,175,123 | 20,917,000 |
| PREFERRED STOCKS Public Utilities (unaffiliated) | 27. United States | | | | |
| | 28. Canada | | | | |
| | 29. Other Countries | | | | |
| | 30. Totals | 0 | 0 | 0 | |
| Banks, Trust and Insurance Companies (unaffiliated) | 31. United States | | | | |
| | 32. Canada | | | | |
| | 33. Other Countries | | | | |
| | 34. Totals | 0 | 0 | 0 | |
| Industrial and Miscellaneous (unaffiliated) | 35. United States | | | | |
| | 36. Canada | | | | |
| | 37. Other Countries | | | | |
| | 38. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 39. Totals | 0 | 0 | 0 | |
| | 40. Total Preferred Stocks | 0 | 0 | 0 | |
| COMMON STOCKS Public Utilities (unaffiliated) | 41. United States | | | | |
| | 42. Canada | | | | |
| | 43. Other Countries | | | | |
| | 44. Totals | 0 | 0 | 0 | |
| Banks, Trust and Insurance Companies (unaffiliated) | 45. United States | | | | |
| | 46. Canada | | | | |
| | 47. Other Countries | | | | |
| | 48. Totals | 0 | 0 | 0 | |
| Industrial and Miscellaneous (unaffiliated) | 49. United States | | | | |
| | 50. Canada | | | | |
| | 51. Other Countries | | | | |
| | 52. Totals | 0 | 0 | 0 | |
| Parent, Subsidiaries and Affiliates | 53. Totals | 0 | 0 | 0 | |
| | 54. Total Common Stocks | 0 | 0 | 0 | |
| | 55. Total Stocks | 0 | 0 | 0 | |
| | 56. Total Bonds and Stocks | 20,993,074 | 20,672,940 | 21,175,123 | |

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | | |
|--|------------|--|------------|
| 1. Book/adjusted carrying value of bonds and stocks, prior year..... | 11,355,892 | 7. Amortization of premium..... | 97,156 |
| 2. Cost of bonds and stocks acquired, Column 7, Part 3 | 11,651,813 | 8. Foreign Exchange Adjustment: | |
| 3. Accrual of discount..... | | 8.1 Column 15, Part 1 | 0 |
| 4. Increase (decrease) by adjustment:..... | | 8.2 Column 19, Part 2, Sec. 1..... | 0 |
| 4.1 Columns 12 - 14, Part 1..... | 0 | 8.3 Column 16, Part 2, Sec. 2 | 0 |
| 4.2 Columns 15 - 17, Part 2, Sec. 1..... | 0 | 8.4 Column 15, Part 4 | 0 |
| 4.3 Column 15, Part 2, Sec. 2..... | 0 | | |
| 4.4 Columns 11 - 13, Part 4 | 0 | 9. Book/adjusted carrying value at end of current period | 20,993,074 |
| 5. Total gain (loss), Col. 19, Part 4 | (5,076) | 10. Total valuation allowance | |
| 6. Deduct consideration for bonds and stocks disposed of | | 11. Subtotal (Lines 9 plus 10) | 20,993,074 |
| Column 7, Part 4 | 1,912,400 | 12. Total nonadmitted amounts | |
| | | 13. Statement value of bonds and stocks, current period | 20,993,074 |

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

| Allocated by States and Territories | | | | | | | | |
|---|------------------------------|-------------------------------------|----------------------|----------------------|--------------------|---|--|---------------------------------|
| States, Etc. | 1 | 2 | Direct Business Only | | | | | |
| | Guaranty Fund (Yes or No) | Is Insurer Licensed? (Yes or No) | 3 | 4 | 5 | 6 Federal Employees Health Benefits Program Premiums | 7 Life & Annuity Premiums & Deposit Type Contract Funds | 8 Property/Casualty Premiums |
| | | | Premiums | Medicare Title XVIII | Medicaid Title XIX | | | |
| 1. Alabama | AL | | | | | | | |
| 2. Alaska | AK | | | | | | | |
| 3. Arizona | AZ | | | | | | | |
| 4. Arkansas | AR | | | | | | | |
| 5. California | CA | | | | | | | |
| 6. Colorado | CO | | | | | | | |
| 7. Connecticut | CT | | | | | | | |
| 8. Delaware | DE | | | | | | | |
| 9. District of Columbia | DC | | | | | | | |
| 10. Florida | FL | | | | | | | |
| 11. Georgia | GA | | | | | | | |
| 12. Hawaii | HI | | | | | | | |
| 13. Idaho | ID | | | | | | | |
| 14. Illinois | IL | | | | | | | |
| 15. Indiana | IN | | | | | | | |
| 16. Iowa | IA | | | | | | | |
| 17. Kansas | KS | | | | | | | |
| 18. Kentucky | KY | | | | | | | |
| 19. Louisiana | LA | | | | | | | |
| 20. Maine | ME | | | | | | | |
| 21. Maryland | MD | | | | | | | |
| 22. Massachusetts | MA | | | | | | | |
| 23. Michigan | MI | | | | | | | |
| 24. Minnesota | MN | | | | | | | |
| 25. Mississippi | MS | | | | | | | |
| 26. Missouri | MO | | | | | | | |
| 27. Montana | MT | | | | | | | |
| 28. Nebraska | NE | | | | | | | |
| 29. Nevada | NV | | | | | | | |
| 30. New Hampshire | NH | | | | | | | |
| 31. New Jersey | NJ | | | | | | | |
| 32. New Mexico | NM | | | | | | | |
| 33. New York | NY | | | | | | | |
| 34. North Carolina | NC | | | | | | | |
| 35. North Dakota | ND | | | | | | | |
| 36. Ohio | OH | | | | | | | |
| 37. Oklahoma | OK | | | | | | | |
| 38. Oregon | OR | | | | | | | |
| 39. Pennsylvania | PA | | | | | | | |
| 40. Rhode Island | RI | No | Yes | (1,614) | 168,859,050 | | | |
| 41. South Carolina | SC | | | | | | | |
| 42. South Dakota | SD | | | | | | | |
| 43. Tennessee | TN | | | | | | | |
| 44. Texas | TX | | | | | | | |
| 45. Utah | UT | | | | | | | |
| 46. Vermont | VT | | | | | | | |
| 47. Virginia | VA | | | | | | | |
| 48. Washington | WA | | | | | | | |
| 49. West Virginia | WV | | | | | | | |
| 50. Wisconsin | WI | | | | | | | |
| 51. Wyoming | WY | | | | | | | |
| 52. American Samoa | AS | | | | | | | |
| 53. Guam | GU | | | | | | | |
| 54. Puerto Rico | PR | | | | | | | |
| 55. U.S. Virgin Islands | VI | | | | | | | |
| 56. Canada | CN | | | | | | | |
| 57. Aggregate other alien | OT | XXX | XXX | 0 | 0 | 0 | 0 | 0 |
| 58. Subtotal | XXX | XXX | (1,614) | 0 | 168,859,050 | 0 | 0 | 0 |
| 59. Reporting entity contributions for Employee Benefit Plans | XXX | XXX | | | | | | |
| 60. Total (Direct Business) | XXX | (a) 1 | (1,614) | 0 | 168,859,050 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5701. | XXX | XXX | | | | | | |
| 5702. | XXX | XXX | | | | | | |
| 5703. | XXX | XXX | | | | | | |
| 5798. Summary of remaining write-ins for Line 57 from overflow page | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above) | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

Explanation of basis of allocation by states, premiums by state, etc.:
(a) Insert the number of yes responses except for Canada and other Alien.

Schedule T - Part 2

NONE

Schedule Y - Part 1

NONE